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BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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OFFICE OF THE SECRETARY

Special Services Fees and Classifications) Docket No. MC96-3

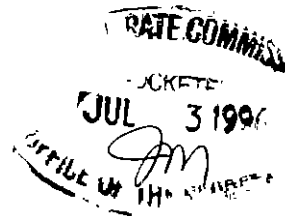
OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS W. ASHLEY LYONS
(OCA/USPS-T1-5-10)
(July 3, 1996)

Pursuant to sections 25 and 26 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents. Instructions included with OCA Interrogatories 1-4 to the United States Postal Service dated June 19, 1996, are hereby incorporated by reference.

Respectfully submitted,

GAIL WILLETTE
Director
Office of the Consumer Advocate

DAVID RUDERMAN
Attorney



OCA/USPS-T1-5. Refer to pages 5-7 of your testimony concerning "financial foundations." What criteria and standards were used to determine whether a rate or fee is suitable for an interim increase? Please provide all documents describing the criteria or standards used to choose which rates and fees are suitable for an interim rate increase.

OCA/USPS-T1-6. Refer to page 6, lines 9-11, of your testimony.

- a. Please explain to what extent increases in attributable costs were a factor in the determination of whether to propose an increase in each special service fee.
- b. Please explain to what extent the Commission's recommended cost coverages and/or mark-up indices in Docket No. R94-1 were a consideration in the determination whether to propose an increase in each special service fee.

OCA/USPS-T1-7. Refer to page 6, lines 9-11, of your testimony.

Please explain what consideration was given to increasing rates for any of the classes and subclasses of mail, other than special services, "[i]n the interest of mitigating the impact of general increases."

OCA/USPS-T1-8. Refer to page 6, lines 9-11, of your testimony. For each class or subclass of mail where rates in the test year are projected to be below attributable cost, please explain why a rate increase was not proposed.

OCA/USPS-T1-9. Refer to page 6, lines 14-17, of your testimony. Please confirm that the primary consideration in proposing the demand-oriented price adjustment for selected special services was to significantly increase net revenues to the Postal Service. If you do not confirm, please explain the primary consideration motivating the Postal Service to select these special services for increases.

OCA/USPS-T1-10. Refer to page 20 of your testimony concerning cost coverages. Please identify all classes and subclasses that are projected to have a mark-up index for FY 96, before rates, below that recommended by the Commission in Docket No. R94-1 (Appendix G, Schedule 3, at 2). For each class or subclass whose mark-up index for FY 96 is below the index in Appendix G, please explain why a rate increase is not being proposed for that class or subclass.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 3.B(3) of the special rules of practice.



DAVID RUDERMAN
Attorney

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July 3, 1996